



LEAGUE OF CONSERVATION VOTERS

Message Memorandum

To: Interested Parties
From: Scott Stoermer, Communications Director
Betsy Loyless, Political Director
Date: 04-Apr-03
Re: GOP House energy bill messaging

Messaging the House Republican energy plan could be the gift that keeps on giving to the bill's opponents. Attacking the measure can tap in to concerns at the very top of voters' minds – national security and the economy – and can also connect to their environmental and energy priorities. According to a recent (March 2003) Gallup poll:

- 87% of Americans say our energy situation is "serious" (28% very, 59% fairly)
- 60% prefer an approach to solving the nation's energy problem that emphasizes more conservation of existing energy supplies over production of more oil, gas and coal supplies (29%)
- 73% of Americans favor higher emissions standards for automobiles
- 56% fear America will face an energy crisis within the next five years

Republican messaging. Republican leaders know this, which is why they're saying . . .

- "This bill will take steps to reduce [energy] costs and our reliance on foreign sources of energy." (Bill Thomas)
- "I am proud to sponsor [the Republican energy bill], a balanced approach which reduces reliance on fossil fuels and conserves energy where we can, produces the energy we must, and gets energy to where it is needed." (Jim McCreery)
- ". . . doesn't it make sense for us to adopt some sensible policies that will boost our energy security?" (Richard Pombo)
- "We need to produce oil for the people of this nation so we are not giving money to terrorist organizations." (Don Young)

To counter that message, we must clearly show that the reality of the Republican energy bill does not match their rhetoric by using explicit charges, specific examples, and facts.

The Republican energy bill keeps America dangerously dependent on oil from the Middle East. In fact, passing the Republican energy bill would make America's energy situation worse, harming our economy and costing Americans jobs.

- The Republican energy plan commits America to the same path that led to our current energy problems by letting oil companies develop deep offshore wells without paying federal royalties, by exempting oil and gas drilling sites from water pollution laws, and by making taxpayers reimburse energy companies for the cost of meeting environmental reviews.
- In 1991, after the last Gulf War, the U.S. imported 46 percent of our oil from the Middle East. In 2002, we imported 58 percent of oil from that troubled region.
- Higher energy bills cost the economy as much as \$100 billion a year – 1% of GDP – that could drive America into another recession.
 - It costs \$160 more to fill up a truck with gas than it did at this time last year.
 - Every one-cent increase in the price of a gallon of fuel adds \$30 million to the expenses of an already troubled airline industry.

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- Americans have seen utility prices double in places like Massachusetts.
- Money Americans spend on fuel and energy is money they're not spending at the mall.
- Rising fuel costs were a cause or catalyst in the past four recessions in the mid-1970s, early 1980s, 1990-91, and 2000.
- The price of oil per barrel closed at \$28.97 yesterday, 25% higher than a year ago.

The Republican energy bill does nothing to help Americans use energy more efficiently. Congress should pass a responsible bill that makes our energy cleaner, healthier, safer, and more affordable – the Republican bill does none of these things.

- It does nothing to help Americans buy cars that go further on a gallon of gas. In fact, Republicans rejected an amendment to require American autos to use 10% less gas than they use today.
- It does nothing to help Americans purchase hybrid energy vehicles that average as much as 50 miles to the gallon (2003 Toyota Prius).
- It does little to improve America's commitment to renewable energy sources. Because America failed to commit to a more balanced energy future after the first Gulf War in 1991, renewable sources fell from 7.4 percent of all the energy used in the U.S. to 5.9 percent in 2001.
- It even ignores those Americans who want to help themselves move to renewable energy sources by removing tax credits for buyers of hybrid vehicles and rejecting aid to homeowners who want to install solar panels.
- It would destroy one of our most special national treasures, the Arctic National Wildlife Refuge, for a negligible amount of oil that wouldn't be available for ten years.

The Republican energy bill hands out billions of American tax dollars to the oil and gas industry when our country faces a massive \$400 billion deficit and the growing cost of war.

- The bill includes \$18.7 billion in taxpayer handouts to the same oil and gas industry that invested \$18 million in Republican campaigns in 2002 and \$26 million in 2000.
- At the same time, the bill fails to include tax breaks for average Americans to purchase hybrid cars, energy-efficient appliances, home energy-management technology, and alternative home energy sources.
- The Republicans want to give almost \$20 billion to the oil and gas industry at the same time their budget would cut \$14 billion from veterans' benefits, \$13 billion from food stamps, and \$6 billion from school lunch and other child nutrition programs.

For more information on the facts and figures stated in this memorandum, or assistance with shaping your environmental message or tailoring it to specific districts, please contact the LCV Press Office at (202) 454-4599 or lcvpress@lcv.org.



For Immediate Release
April 9, 2003

Contact: Katie Elbert
(202) 225-4131

HOYER RECOGNIZES THE SERVICE OF FORMER POWS

April 9th is National Former POW Recognition Day

WASHINGTON – Congressman Steny Hoyer (MD-05) marked *National Former Prisoner of War Recognition Day* by releasing the following statement today:

“Americans who bear the title ‘Former Prisoner of War’ are national heroes. Their service to our country placed them in dangerous circumstances, causing their capture and imprisonment. They suffered and sacrificed for freedom and for America’s future.

“It is hard to imagine the conditions of internment these brave men and women endured and they deserve our utmost gratitude and respect. Although they returned home, they remain a testament to an eternal truth -- freedom is not free -- as well as an unforgiving lesson -- the price that must be paid for freedom is always great.

“We also owe a debt of gratitude to the families of former POWs for weathering agonizing uncertainty while remaining courageously supportive of their loved ones.

“We remember these heroes especially in light of the recent rescue of Pfc. Jessica Lynch. Pfc. Lynch had been captured with 11 other U.S. soldiers from the 507th Maintenance Company and was rescued from a hospital in Iraq on April 2nd. The latest reports are seven U.S. military personnel formally listed as POWs and eight listed as missing in the war in Iraq .

“National Former Prisoner of War Recognition Day is a time to reflect on the sacrifice of our former POWs and to honor their heroism. We should also pledge to ensure that future generations will appreciate the courage of these heroes and that our nation will keep our promises to all former POWs and veterans. The 2004 Republican budget resolution that passed the House does not keep those promises due to severe budget cuts and I am working to see that the final resolution does not fail our former POWs and other veterans.”

For more information about what you can do to support former POWs and current POWs, you can visit <http://www.pow-miafamilies.org/help.html>.

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NEWS RELEASE

Energy and Commerce Committee Democrats

Congressman John D. Dingell, Ranking Member

For Immediate Release
April 2, 2003

Contact: Laura Sheehan
202-225-3641

Committee on Energy and Commerce Markup of Energy Legislation: The Republican Electricity Title Hurts Consumers and Investors

Washington, D.C. – The Committee on Energy and Commerce, in its second day of marking-up a comprehensive energy bill, is considering Title VII on electricity. Republican Members of the Committee voted unanimously to defeat an amendment by Ranking Member John D. Dingell to replace electricity deregulation measures in the Republican crafted bill with new provisions to prohibit fraud and abuse.

“Enron, Ken Lay and others of their ilk will joyfully revel in the passage of the Republican electricity provisions,” said Dingell. “Instead of protecting consumers from future rascality, these provisions will actually allow new abuses.”

The Republican bill would repeal the Public Utility Holding Company Act, a law that protects consumers and investors from corporate abuses. The bill would also repeal other electricity provisions and override state and federal laws on siting power lines.

The Dingell amendment would have made targeted common-sense reforms designed to ensure that the Federal Energy Regulatory Commission and the Securities Exchange Commission have the tools and power they need to fulfil their roles to protect consumers and investors. The amendment would ban fraudulent or manipulative practices in the sale or transmission of electricity, or the sale of natural gas, and adopt civil and criminal penalties for fraud identical to those in the Sarbanes-Oxley Act that was signed into law last year.



NEWS RELEASE

Energy and Commerce Committee Democrats

Congressman John D. Dingell, Ranking Member

For Immediate Release
April 1, 2003

Contact: Laura Sheehan
202-225-3641

COMMITTEE ON ENERGY AND COMMERCE MARKUP OF ENERGY LEGISLATION: The Early Returns Are In

Washington, D.C. -- The Committee on Energy and Commerce, which today began a two-day markup of comprehensive energy legislation, has completed consideration of Title II (Oil and Gas). Republican Members rejected Democratic efforts to remove several anti-environmental provisions inserted on behalf of the oil and gas industry, including:

- restrictions on the ability of California and other states to protect their coastal areas;
- expanding loopholes in the Federal Water Pollution Control Act to allow more water pollution; and
- preventing the Environmental Protection Agency from barring the injection of diesel fuel into sources of drinking water.

John D. Dingell, Ranking Democratic Member, Committee on Energy and Commerce, noted that “the Committee is not off to an auspicious start, unless you are in the oil and gas industry.”



NEWS RELEASE

Energy and Commerce Committee Democrats

Congressman John D. Dingell, Ranking Member

For Immediate Release
April 1, 2003

Contact: Laura Sheehan
202-225-3641

COMMITTEE ON ENERGY AND COMMERCE MARKUP OF ENERGY LEGISLATION: Bipartisan Compromise That Protected Rivers and Fish “Inoperative”

Washington, D.C. -- The Committee on Energy and Commerce, which is in the process of marking up comprehensive energy legislation, has completed consideration of Title III (Hydroelectric Relicensing). Committee Republicans rejected the bipartisan compromise adopted by the Committee and the House in the last Congress that streamlined hydroelectric licensing while maintaining important environmental protections. Instead, Republican Members voted to provide hydroelectric licensees special procedural supremacy, and to limit the ability of natural resource agencies to protect fish populations.

Ranking Member John D. Dingell lamented the rejection of the historical compromise, noting that “longstanding protections of rivers and their fish populations have been put in jeopardy. American rivers are for everyone; they are not just exclusive swimming pools for utilities.”



NEWS RELEASE

Energy and Commerce Committee Democrats

Congressman John D. Dingell, Ranking Member

For Immediate Release
March 19, 2003

Contact: Laura Sheehan
202-225-3641

Subcommittee on Energy Republicans Vote AGAINST Bipartisan Compromise on Hydropower and FOR Diesel Fuel in Drinking Water

Washington, D.C. – In today's Committee on Energy and Commerce Subcommittee on Energy and Air Quality markup of the Energy Policy Act of 2003, Republican members voted against last year's bipartisan compromise on hydropower and for diesel fuel in drinking water.

"It is inconceivable that anyone in their right mind would knowingly vote to allow the injection of diesel fuel into underground sources of drinking water," said Rep. John D. Dingell, Ranking Member of the Committee on Energy and Commerce. "Likewise, I cannot fathom why the majority has abandoned the bipartisan accomplishments of last Congress on hydropower to coddle industry at the expense of America's rivers and waterways."

Republican members of the Subcommittee on Energy and Air Quality voted against:

- a Waxman amendment to express the sense of Congress that diesel fuel should be prohibited from being injected into underground sources of drinking water. Currently, the oil and gas industry uses diesel fuel in hydraulic fracturing of coalbed methane reservoirs.
- a Dingell amendment to restore bipartisan House-passed hydropower provisions supported last Congress by all affected environmental groups and industry. The Republican language drastically alters the licensing process to give the hydropower industry unprecedented advantage during the licensing process and will result in a major rollback of existing protections for fish, wildlife, habitat and water quality.

FOR IMMEDIATE RELEASE April 3, 2003
CONTACT: William Tranghese
(202) 225-5601

NEAL CRITICAL OF REPUBLICAN EFFORT TO PROTECT CORPORATE RUNAWAYS

(WASHINGTON) Congressman Richard E. Neal, a senior member of the House Ways and Means Committee, criticized today a provision added last night to an energy tax bill by Republican leaders protecting former corporations which have relocated offshore in tax havens in order to avoid U.S. income taxes.

"What does this Congress tell Stanley Tools, who complained on the day that they rightly reversed their decision to go to Bermuda, that their competitors had already snuck out. This ban would protect the corporate expatriates who cheat the American taxpayer and compete with American companies who stay. Obviously, the shareholders of McDermott of Panama, which is considering returning to the U.S., should fear no reprisals from the House Republican leaders. There's no need to come home to America - we'll protect your advantage over other American companies," said Neal.

Neal objected to the Chairman's amendment to HR 1531, the Energy Tax bill, which will grandfather all current corporate expatriates allowing them to continue to avoid U.S. income taxes, but prevented new expatriations occurring AFTER March 4, 2003. Additionally, this provision expires at the end of next year. Legislation previously filed by Committee Republicans Representatives McInnis and Nancy Johnson, as well as Chairman Bill Thomas, would have used earlier cut-off dates than March 4, 2003. The Chairman's amendment was scored as saving only \$83 million in taxpayer revenue over 10 years. Neal offered an amendment to insert his tougher provisions on corporate expatriation, but it was defeated on a near party-line vote.

Neal concluded, "Corporate expatriation shifts an ever-increasing tax burden onto individuals. As our budget for defense and homeland security rightly increases in this time of war, should our soldiers and their families expect to bear the brunt of this because Congress will protect corporate expatriation? We can and must do better for our brave soldiers serving abroad."

Neal is the sponsor of **H.R. 737, the Corporate Patriot Enforcement Act**, which would deny tax benefits to former American companies that reincorporate offshore to avoid paying taxes. His bi-partisan bill currently has over 125 co-sponsors, and would save U.S. taxpayers \$4 billion over 10 years. He first introduced the Corporate Patriot Enforcement Act during the last session of Congress. A discharge petition filed on this bill garnered 187 signatures.

Attached to this release is quotes from business owners as read by Neal at the markup session. For more information on the Neal bill, please contact William Tranghese.

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Stanley Tools of New Britain, Connecticut (hand-tool company) on reversing their decision to go to Bermuda: “Not only are we disadvantaged against our foreign competitors, but two of our major U.S. competitors, Cooper Industries and Ingersoll-Rand Company have a significant advantage over Stanley Works because they have already reincorporated [in Bermuda].”

ENSCO Corporation of Dallas, Texas (offshore drilling company): “We believe in order not to punish companies like ENSCO for having remained U.S. companies in the wake of corporate inversions by competitors, [legislation on] inversion transactions should be made retroactive without limitation. This is the only way to ensure that ENSCO and other U.S.-based multinational companies are placed on equal footing with expatriated competitors.”

Conair Corporation of East Windsor, New Jersey (consumer products company): “Our competitors such as Helen of Troy have registered in Bermuda and evade paying a great deal of American taxes which makes it very difficult and unfair for Conair to operate in an environment where people are price-conscious of the products they are buying.”



For Immediate Release
March 12, 2003

Contact: Stacey Farnen
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Hoyer: The GOP Budget Fails to Reflect America's Values

WASHINGTON, DC – House Democratic Whip Steny Hoyer (MD) released the following statement tonight on the House Republican and Democratic 2004 budgets:

“This Republican budget is an appalling betrayal of America’s values and fails to meet our nation’s priorities.

You really have to wonder: how does this Republican party define compassion? By taking hot lunches out of the mouths of poor school children? By forcing the elderly out of nursing homes as the result of Medicaid cuts? By skimping on a prescription drug benefit for seniors? By slashing veterans’ health care on the very day that our brave armed forces have begun the battle to disarm Saddam Hussein?

It is clear that the president’s irresponsible \$1.4 trillion tax plan – and the GOP’s blind allegiance to it – would be an albatross around the necks of the American people as well as future generations.

To pay for it, the House GOP proposes funding cuts for Medicaid, student loans, scientific research, food stamps, education and veterans’ benefits. Too often, those of us privileged to serve here speak in terms of billions or trillions. Well, tonight, let’s put a human face on these proposed budget cuts.

More than 90 students at the Eva Turner Elementary School in Waldorf, Maryland, who receive hot meals under the lunch program could have those meals cut.

Ervin Coleman of Prince George’s County, Maryland, who recently was forced to rely on Medicaid to cover the costs of his medical care may not have that option under this budget.

Ruben Hairston of Calvert County, Maryland, receives \$654 a month in social security benefits, but his prescription drugs cost \$519. He simply can not afford all his medication. The meager funding set aside for a drug benefit in this budget offers him little hope of relief.

I ask you: is that a budget that reflects America’s values? Is that a budget that meets America’s priorities?

The American people want and deserve better – and that’s precisely what this democratic budget alternative gives them. First and foremost, our budget includes our entire stimulus plan, which would jump-start the economy, provide tax relief and create one million jobs. Our budget provides more funding for homeland security (\$34 billion), more funding for education (\$44 billion), and more funding for the environment, veterans and other priorities. We also provide at least \$150 billion more for prescription drugs. Finally, our budget matches the president’s defense request, protects social security, and achieves balance by 2010.

Democrats urge all Americans: examine our budget. Examine the House GOP’s. And ask yourself: which budget reflects American values and meets our needs?

The answer is clear.

The Republican budget is nothing more than a cynical, calculated political document designed solely to provide huge tax cuts to the most affluent.

I urge all of my colleagues to support this Democratic budget for America. It is clearly superior.”

News from U.S. Rep. John Spratt (D-SC)

Assistant to the Democratic Leader

Ranking Member, Committee on the Budget

U.S. House of Representatives, Washington, D.C.

www.house.gov/budget_democrats | www.house.gov/spratt

Wednesday, April 02, 2003 – For Immediate Release

Contact: Chuck Fant, 202-225-5501

Spratt Statement on House and Senate Republican Budget Plans

WASHINGTON – U.S. Rep. John Spratt (D-SC) today issued the following statement on the House and Senate Republican budget plans. A paper comparing the plans, prepared by the Democratic staff of the House Budget Committee, is attached. Budget conferees are holding their first meeting today at 3:30 p.m. in H-137 of the Capitol.

“This week, House and Senate conferees are meeting to develop a final budget resolution for fiscal year 2004. The conferees confront a choice between two fundamentally flawed Republican budget resolutions. Like the President’s budget, the budgets of the House and Senate Republicans make deep cuts in vital services to help pay for their oversized tax cuts.

“The House Republican budget endorses virtually in full the President’s massive \$1.4 trillion in tax cuts. To help offset those tax cuts, the budget assumes \$265 billion in cuts to mandatory programs and \$244 billion in cuts to domestic appropriations below the amount needed to maintain current purchasing power. The House Republican budget also provides an inadequate prescription drug benefit, underfunds other key priorities, and does not reach balance until 2012.

“The House-passed budget is so bad that even House Republicans have begun retreating from it. Last night, the House overwhelmingly passed a Democratic motion to instruct conferees on the budget resolution. The Democratic motion rejects much of the House Republicans’ cuts to vital mandatory programs and endorses the Senate’s \$396 billion reserve to protect Social Security. The motion calls on the conferees to reduce the Republicans’ excessive tax cuts by at least \$611 billion so that the motion has no net effect on budget deficits. Republicans at first argued against the motion, but then they decided that they could not defeat it, and opted to vote for it.

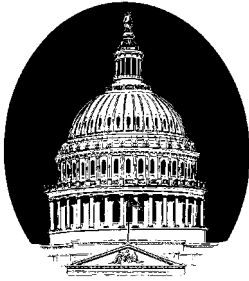
“The Senate Republican resolution was slightly improved through amendments on the floor, but it remains badly flawed. It achieves balance by 2011, but only because of floor amendments that cut the President’s ‘growth package’ in half and reduced other tax cuts. Floor amendments also restored some of the proposed cuts to 2004 funding for important domestic programs. However, for appropriations after 2004, the Senate budget still assumes even larger

reductions — including a lower level for defense — than the House resolution or the President's budget.

“By contrast, House Democrats proposed a budget that promotes economic growth, provides solid funding for our nation's priorities, and was fiscally responsible. Our budget restored the harmful cuts proposed by the Republicans, provided substantial funding for a Medicare prescription drug benefit, and made important investments in other priorities including education and homeland security. The Democratic budget was also more fiscally responsible – achieving balance in 2010 – and accumulating less in public debt than any of the Republican budgets.

“Attached is a brief document outlining the major differences between the House and Senate Republican budget plans, with comparison to the President's budget and the House Democratic alternative where appropriate. As the document make clear, the differences between the two parties on budget priorities are broad and substantial.”

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HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

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April 2, 2003

Bad versus Worse: Comparison of House and Senate Republican Budget Plans for Fiscal Year 2004

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.

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Overview

The Congress confronts a choice between two profoundly flawed alternative budget resolutions in the upcoming House-Senate conference. Like the President's budget, the Republican budgets in the House and Senate make deep cuts in vital services to partly pay for their oversized tax cuts. The House Republican budget endorses virtually in full the President's massive \$1.4 trillion in tax cuts, which equal in size those that were enacted in 2001 and that led to the dissipation of the budget surpluses of the 1990s and the return of large deficits. To help offset those tax cuts, the House Republican budget assumes \$265 billion in cuts to mandatory programs, none of which was included in the President's budget or the Senate Republican budget. In addition, the House Republican budget cuts domestic appropriations by \$244 billion below the level of current services and \$115.3 billion below the funding levels in the President's budget.

These spending cuts affect core government functions: Medicare; Medicaid; medical care, disability benefits, and pensions for veterans; education, including higher education student loans; federal employee pensions and health insurance; agriculture; and the environment, among others. House Republicans have already repudiated many of those spending cuts, through colloquies on the House floor and through letters that indicate that the cuts will never occur. Even with these unrealistic and unwise spending cuts, the House Republican budget will not bring the budget back to unified balance before fiscal year 2012. If the spending cuts are not enacted, the Republican tax cuts will lead to larger deficits and an increasing debt tax that future generations of Americans will be forced to pay.

Meanwhile, the Senate-passed resolution was slightly improved through amendments on the floor, but it remains badly flawed. It achieves balance by 2011, but only because of floor amendments that cut the President's "growth package" in half, and reduced other tax cuts as well. Senate Republicans never proposed the mandatory spending reductions that were such an important part of the House Republican budget, and Senate floor amendments restored some of the proposed cuts to 2004 appropriations for education, workforce training, health, transportation, and homeland security.

The Senate budget was also amended on the floor to provide a reserve to pay for at least a part of the cost of the war in Iraq. However, those amendments corrected funding shortfalls for only one year, and the Senate budget assumes even larger reductions in future year appropriations — including a lower level for defense — than the House resolution and the President's budget. Many observers of the Congress believe that the claimed future appropriations savings in both resolutions are so large as not to be credible.

The Congress did not need to face this unpalatable choice. The House Democratic budget alternative surpassed the House and Senate resolutions (and the President's budget) in every respect important to the American people. The House Democratic budget protected key services from cuts and made focused investments in health care and other priorities, while boosting economic growth with an effective, fiscally responsible stimulus plan. The Democratic budget

achieved balance in 2010 — sooner than either the House or the Senate budgets. In contrast, the Republican budgets support the President's irresponsible tax cuts (the Senate resolution to a slightly lesser degree than the House), and so must cut key services, fail to make adequate investments in health care and other priorities, and omit any effective economic growth plan — all to try to pay for their oversized tax cuts.

Tax Cuts and Budget Balance

Republican Budgets Pile Up Additional Public Debt and Increase the “Debt Tax” on Working Families — The House Republican budget increases publicly held debt by \$1.9 trillion over ten years, relative to a stand-pat budget. The Senate budget increases publicly held debt by \$1.7 trillion. Over ten years, federal spending for interest on publicly held debt — the “debt tax” that taxpayers must pay to service this added debt — amounts to about \$2.4 trillion in both Republican budgets, or over \$30,000 for every family of four in the United States.

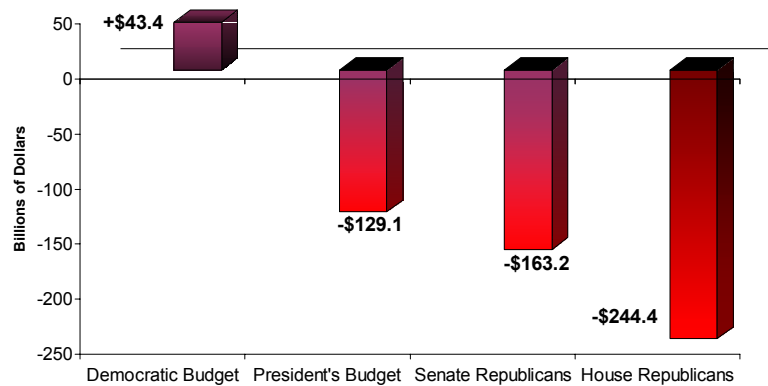
Republican Budgets Rely on Large, Unspecified Spending Cuts to Reach Ostensible Budget Balance — The House Republican budget claims to reach balance in 2012, while the Senate Republican budget claims balance in 2011. Both resolutions ostensibly achieve budget balance through formulaic spending cuts so large that they probably will not occur because they would weaken or eliminate vital services that the American people support. By contrast, House Democratic budget achieved surplus in 2010, while still funding important national priorities, because its tax cut was focused on stimulating the economy now, when it needs it, without worsening long-term deficits as the economy recovered.

House Republican Budget Includes Almost the Entire Bush Tax Cut; the Senate Budget Cuts Taxes Significantly Less — The House Republican budget calls for tax cuts totaling \$1.350 trillion for 2003 through 2013, only slightly smaller than the President's total tax cut of \$1.490 trillion. By contrast, the Senate Republican budget calls for a total tax cut of \$802 billion over the same period. Of these totals, the House budget provides reconciliation protections for \$726 billion, while the Senate budget provides reconciliation protections for only \$350 billion.

Domestic Appropriations

House Republican Budget Slashes Domestic Funding — The House Republican budget sacrifices funding for domestic priorities in order to accommodate \$1.4 trillion of the President's newly proposed tax cuts. To do so, it cuts domestic discretionary funding 2.9 percent below the President's budget every year. Over ten years, domestic funding in the House Republican budget is \$244.4 billion below the amount needed to maintain services at the 2003 level, \$115.3 billion below the amount in the President's budget, and \$81.2 billion below the amount in the Senate Republican budget. Because House Republicans exempt homeland security programs from their cuts, their resulting cuts to domestic non-homeland security programs will be even greater. Programs subject to deep cuts include those related to education, veterans' health care,

Domestic Appropriations: Ten-Year Comparison with 2003 Purchasing Power



Prepared by the House Budget Committee Democratic Staff

3/28/03

the environment, and research.

Democratic Budget Supports High-Priority Programs — In stark contrast, the House Democratic budget increased funding for domestic appropriations by \$43.4 billion over what is needed to keep pace with inflation over the next ten years. This is a total of \$287.8 billion more than the House Republican budget provides, \$206.5 billion more than the Senate Republican budget, and \$172.5 billion more than the President. The funding in the Democratic budget was sufficient to provide additional funds for important domestic priorities such as keeping our homeland secure, educating America's children, providing health care to veterans, maintaining an economic safety net for America's most vulnerable populations, and protecting the environment and public health.

Homeland Security

House Republican Budget Mirrors President's Flat Homeland Security Budget — House Republicans state that their budget fully funds the President's request for homeland security. The President's budget includes a total of \$41.3 billion for all homeland security activities for 2004, including mandatory, discretionary, and fee-funded activities. This is \$312 million more than the Administration's estimated request for 2003 — the most current comparable numbers available. This is a nominal increase of 0.8 percent, and at best keeps pace with the amount needed to maintain purchasing power at the level of the President's 2003 request.

From 2003-2013, the Democratic budget offered in the House provided \$34 billion more than the House Republican budget for homeland security — \$10 billion to the states in 2003, and an

additional \$24 billion — at least \$2 billion per year — above the House Republican budget to improve homeland security over the ten years from 2004-2013.

Senate Budget Adds Modest Additional Funding — Like the House Republican budget, the budget resolution reported by the Senate Budget Committee matched the President's budget for homeland security. During floor consideration, the Senate adopted two amendments adding funding for homeland security. One amendment, sponsored by Senator Cochran, added \$3.5 billion for 2003 to accommodate supplemental funding for homeland security. A second amendment, sponsored by Senator Hollings, added a total of \$2 billion for 2004 and 2005 to enhance port security. The funding in this amendment was offset by a \$2 billion unspecified cut elsewhere in the budget.

The Senate rejected a number of other amendments offered by Democrats that would have added additional funding for homeland security. The two amendments accepted in the Senate total \$5.5 billion (with an unspecified offsetting cut of \$2 billion), considerably less than the \$34 billion in the Democratic budget offered in the House.

Paying for the War in Iraq

Senate Resolution Contains Reserve Fund for War in Iraq — The Administration refused to provide the Congress with any information about the likely costs of a war in Iraq until the President submitted his \$74.7 billion supplemental request on March 25 — after the House had already approved the Republican budget resolution. The House Republican budget contains no provision for the cost of the war in Iraq. The Senate adopted Senator Feingold's amendment that reduces the proposed tax cuts by \$100 billion over ten years and sets that money aside to pay for the war and post-war reconstruction.

Medicare, Medicaid, and Public Health Programs

Republican Prescription Drug Plans: The Wrong Medicine for Seniors

Republican Budget Resolutions Provide Inadequate Funding for Medicare Prescription Drugs and Fail to Guarantee a Universal Benefit — Both the House and Senate Republican budgets match the President's budget by including a \$400 billion reserve fund for a Medicare prescription drug benefit. This funding level is clearly inadequate. It barely covers the House Republicans' plan from last year, which had large gaps in coverage and no set premium.

Furthermore, both the House and Senate budgets also follow the President's lead by failing to guarantee a universal benefit available to all seniors. Neither the House nor the Senate rejected the President's faulty concept of forcing seniors into private plans if they want to get a meaningful prescription drug benefit. In fact, 51 Senators voted against guaranteeing a prescription drug benefit available to all seniors on an equal basis.

House Democratic Budget Contained a Minimum of \$528 Billion for a Meaningful, Universal Prescription Drug Benefit — The House Democratic budget provided a minimum of \$528 billion for a Medicare prescription drug benefit — \$128 billion more than the House and Senate Republican budgets and the President. However, this was a *minimum* funding level. The Democratic budget also gave the Ways and Means Committee latitude to supply additional funds for prescription drugs. Furthermore, the House Democratic budget guaranteed a defined benefit administered through a stable delivery system and available to *all beneficiaries*, regardless of where they lived or whether they chose to stay in traditional Medicare.

Medicare and Medicaid

House Republican Budget Cuts Medicaid by \$93 Billion — The House Republican budget requires \$107 billion in cuts from the Committee on Energy and Commerce. The bulk of these cuts will certainly fall to Medicaid. In fact, the underlying numbers in the budget resolution recommend a \$93 billion cut to Medicaid, which could mean eliminating eligibility or cutting benefits for any of the 51.2 million seniors, children, adults and disabled individuals who rely upon the program. Neither the House Democratic budget, the Senate Republican budget, nor the President's budget requires these Medicaid spending cuts. In fact, 79 Senators recently signed a letter expressing opposition to any Medicaid cuts in the budget resolution.

Republican Budget May Still Require Medicare Cuts — While the Republican budget seemingly retreats from its earlier, mistaken call for Medicare cuts, it still requires Ways and Means to cut \$62 billion over ten years and Energy and Commerce to cut \$107 billion over ten years. *Nothing in the budget protects Medicare against cuts by those Committees.* Since both Committees may be hard pressed to find those cuts in their remaining mandatory programs, which mainly consist of welfare programs at Ways and Means and Medicaid at Energy and Commerce, those Committees may still need to look to Medicare to fulfill their targets for spending cuts.

Republicans Dismantle Medicaid's Guarantee of Health Care for Low-Income Individuals — Both the House and Senate Republican budgets, as well as the President's budget, abdicate responsibility for health care coverage for low-income populations by allowing states to block-grant Medicaid and the State Children's Health Insurance Program (CHIP). This radical structural change tempts states with more funding now in exchange for reduced funding down the road, which will likely lead to cuts in benefits and eligibility restrictions. The block grant effectively ends the CHIP program and ends the federal entitlement to health care for 14 million people.

In contrast, the House Democratic budget protected the Medicaid program and provided \$10 billion in real fiscal relief to state Medicaid programs *this year*.

Other Health Issues

Senate Provides \$88 Billion for the Uninsured — The Senate adopted a Kennedy amendment to increase the reserve fund to provide health insurance for the uninsured to \$88 billion, including tax deductions for the purchase of health insurance for people lacking employer-sponsored coverage. The House Republican budget includes no such reserve fund for the uninsured.

Senate Provides \$4.7 Billion More Than House for Appropriated Health Programs in 2004 — The Senate Republican budget provides \$52.7 billion for appropriated health programs in 2004. This funding level for 2004 is \$4.6 billion higher than in the House Republican budget and \$3.1 billion higher than in the President's budget. However, over ten years the Senate still provides \$6.8 billion less than the amount needed to maintain purchasing power at the 2003 level. Appropriated health programs include anti-bioterrorism activities, biomedical research, and most direct health care services.

Veterans

House Republican Budget Cuts \$28.3 Billion In Veterans' Benefits and Health Care — The House Republican resolution cuts appropriations for veterans' health care and direct spending for veterans' benefits by a total of \$28.3 billion over ten years, compared to the amount needed to maintain purchasing power at the 2003 level. The House Republican budget provides \$22.0 billion less than the Senate Republican budget, \$30.3 billion less than the House Democratic budget, and \$22.8 billion less than the President's budget.

**Funding for Veterans' Programs
Relative to CBO's March Baseline, 2004-2013**
(budget authority, billions of dollars)

	President	House Republicans	Senate Republicans
Discretionary	-5.3	-14.2	-6.2
Mandatory	-0.2	-14.2	-0.2
Total	-5.5	-28.3	-6.4

** Numbers may not add due to rounding.*

Over half the House Republican budget's cuts are required by reconciliation instructions directing the Veterans' Affairs Committee to make unspecified reductions in veterans' benefits to root out "waste, fraud, and abuse". The Disabled American Veterans described the House Republican approach in the following terms:

Has Congress no shame? Is there no honor left in the hallowed halls of our government that you choose to dishonor the sacrifices of our nation's heroes and rob our programs - health care and disability compensation - to pay for tax cuts for the wealthy? (March 17, 2003).

The Senate Republican budget makes only minor adjustments to mandatory veterans programs and contains no reconciliation instructions.

Even though veterans funding in the Senate Republican budget far exceeds that in the House Republican budget over ten years, the Senate's budget nonetheless is \$6.4 billion below the level needed to keep up with inflation. Because of their insistence on massive tax cuts, the President's budget, the House Republican budget, and the Senate Republican budget all reduce spending for veterans below the levels needed to maintain current law benefits and current levels of purchasing power for health care. By contrast, only the House Democratic budget would have provided funding necessary to honor our existing commitments to veterans in all ten years.

Education

House Republican Budget Drastically Cuts Education Programs — The House Republican budget cuts appropriations by 3 percent below the President's levels every year. Over ten years, House Republicans cut appropriations for education, training, and social service programs by \$38.5 billion below the amount needed to maintain purchasing power at the 2003 level. In addition, the House Republican budget cuts mandatory spending for education programs by requiring the Education and the Workforce Committee to find \$9.4 billion in savings over ten years from its mandatory programs, which are primarily school lunches and student loans.

- ***Denies Meals to Millions of Children*** — In just 2004, the cut in mandatory spending will push nearly a half of a million eligible poor children out of child nutrition programs - and this most likely underestimates the number of children who would be without a school breakfast or school lunch every day. To achieve reductions in funding of even half the magnitude called for over ten years would deny even more eligible poor children access to school nutrition programs in order to pay for irresponsible and massive tax cuts for the wealthy.
- ***Cuts Aid for Higher Education*** — For 2004, the House Republican budget cuts the maximum Pell Grant from the current \$4,050 back to \$4,000, the level of the maximum award in 2002. In addition, if the Education and the Workforce Committee spreads half of its required cut in mandatory spending to the student loan program, as many as 8 million students in the 2004 school year, and more than 80 million students over ten years, could lose essential college financial assistance. This Republican cut could force students to pay an additional \$340 in up-front fees on their loans just when the students are struggling to pay for tuition, books, and living costs.

- ***Cuts Education Appropriations*** — The House Republican budget cuts education appropriations below the level in the President's budget every year for ten years. Since the President's 2004 budget freezes discretionary funding for the Department of Education at the 2003 enacted level of \$53.1 billion (which is a cut of \$594 million below the amount needed to maintain purchasing power), that means the House Republican budget cuts even deeper into education funding. Since the President's budget cut \$1.2 billion from programs under the No Child Left Behind Act, the House Republican budget must cut even more from these important programs.

Senate Republican Budget — For 2004, the Senate Republican budget does not make cuts to mandatory education programs and provides \$9.6 billion more discretionary education funding than the House Republican budget and \$8.2 billion more than the President's budget. However, \$3.1 billion of that increase is offset by unspecified cuts elsewhere in the budget. The Senate Republican budget specifically increases funding for Impact Aid and raises the maximum Pell Grant to \$4,500 for 2004. It also increases funding above the 2003 enacted level by \$2.0 billion for special education state grants (of which \$970 million is offset as part of the total \$3.1 billion unspecified cut), by \$1 billion for Title I, and by \$2.0 billion for programs under the No Child Left Behind Act.

Working Families and the Safety Net

House Republicans Cut \$1.3 Billion More from Appropriated Programs than the Senate — The House Republican budget resolution slashes funding for housing and other annually appropriated income security programs in 2004 by \$4.0 billion, or 8.3 percent, below the amount necessary to maintain purchasing power at the 2003 level. Four programs account for 85 percent of appropriated income security spending: low-income housing, child care block grants, low-income home energy assistance (LIHEAP), and nutritional assistance for women, infants, and children (WIC). The funding cut in the House Republican budget, if applied across the board, translates into at least 75,000 poor families losing housing assistance in 2004.

The Senate Republican budget provides \$1.3 billion more than the House for these programs but still falls \$2.7 billion short of the amount necessary to maintain current services, closely tracking the President's budget. The House Democratic budget provided sufficient funding to maintain current service levels in these programs.

House Republicans Slash the Safety Net to Pay for Reckless Tax Cuts — The House Republican budget requires substantial cuts to mandatory programs that support working families and provide a safety net for low-income individuals, including the aged and disabled. The House Republican budget requires the Ways and Means Committee to cut \$61.5 billion in direct spending over the next ten years from programs in its jurisdiction. The major income-support programs likely to be affected, in addition to Medicare, include Supplemental Security Income (SSI), the Earned Income Tax Credit, Temporary Assistance for Needy Families

(TANF), Unemployment Insurance, and child care.¹ In addition, the House Republican budget requires the Agriculture Committee to cut \$18.6 billion in direct spending over ten years. The Food Stamp program accounts for more than half of the Agriculture Committee’s direct spending.

The House Republican budget unrealistically insists that these cuts can be made by targeting “waste, fraud, and abuse,” ignoring recent management and statutory improvements in programs such as SSI. In contrast, the slightly less unrealistic Senate Republican budget maintains safety-net programs at their current levels. The President’s budget freezes most welfare and child-care funding at current levels but does not otherwise make deep, across-the-board cuts to mandatory safety-net programs. The House Democratic budget not only maintained these programs, but it also provided \$10 billion more than the Republican House or Senate budgets in direct spending for child care over the next five years.

Transportation

Senate Budget Provides Far More Than House Budget for Highways and Transit — The House and Senate Republican budgets both provide more funding in total for highway and transit aid than the President’s budget. However, the Senate Republican budget provides over \$60 billion more than the House Republican budget over the next six years, the likely time span of the upcoming transportation reauthorization bill.

Highway and Transit Funding, 2004-2009
(budget authority, billions of dollars)

	President	House Republicans	Senate Republicans
Federal-aid Highways ²	190.7	207.7	255
Mass Transit	45.7	43.1	56.5
Total	236.4	250.8	311.5

Over 2004-2009, the President’s budget provides \$190.7 billion in budget authority for federal-aid highways and \$45.7 billion for mass transit. The House Republican budget provides \$207.7 billion for federal-aid highways and \$43.1 billion in budget authority for mass transit.

¹The House Budget Committee chairman indicated that he assumes no cuts to Unemployment Insurance, but this assumption is not binding on the Ways and Means Committee.

² The funding levels for federal-aid highways include \$100 million annually for the federal-aid emergency relief program and \$639 million annually for the minimum guarantee.

As approved by the Senate Budget Committee, the Senate Republican budget provided roughly the same amounts as the House Republican budget. However, during floor debate, the Senate overwhelmingly passed an amendment to boost funding to \$255 billion for federal-aid highways and to \$56.5 billion for mass transit. The amendment brought the total difference in funding levels between the House and Senate Republican budgets to \$60.7 billion over the next six years.

The House Republican budget does include a provision allowing extra spending if the coming transportation reauthorization bill increases receipts into the Highway Trust Fund. The Senate Republican budget contains a similar provision, but with the floor amendment it now contains base funding levels that are significantly higher than those in the House Republican budget. The Highway Trust Fund cannot support the higher funding levels in the Senate Republican budget unless Congress increases receipts into the trust fund or devotes general funds to the highway and transit programs.

2004 BUDGET PLANS

2004 - 2013 Totals, Dollars in Billions

	President	House	Senate
Deficits/Surplus	-1,820	-982	-452
<i>Deficit Difference From President</i>		838	1,368
Tax Cuts	1,455	1,314	776
2003 Tax Cuts	35	36	26
Discretionary Funding /1			
Defense	264	264	160
Domestic	-129	-244	-163
Priority Programs /2			
Prescription Drugs	400	400	400
Medicaid & Other Health /3	45	-125	96
Veterans	-6	-27	-7
Education /4	-27	-53	27
Low-Income Programs /5	-32	-169	7
Interest	2,599	2,430	2,069

Table Does Not Represent the Total of All Resources in the Budget

/1 Budget Authority Above/Below Current Services

/2 Total Outlays Above/Below Current Services, By Budget Function

/3 Discretionary Budget Authority and Mandatory Outlays For Function 550. Totals Are Made Comparable By Using OMB Scoring For Medicaid Block Grant Proposal

/4 Function 500 Excluding Re-Employment Accounts

/5 Function 600 Excluding Outlays For Refundable Tax Cuts

**Reconciliation Instructions in the Manager's Amendment
to the 2004 House Republican Resolution**

(outlays in millions of dollars)

	2004	2004-2008	2004-2013
Agriculture	-600	-5,532	-18,618
Education and Workforce	-261	-2,596	-9,421
Energy and Commerce	-2,397	-25,265	-107,359
Financial Services	-62	-678	-2,864
Government Reform	-1,072	-10,371	-38,319
House Administration	-4	-26	-88
International Relations	-157	-1,293	-4,468
Judiciary	-86	-727	-2,404
Resources	-40	-345	-1,105
Science	-1	-6	-15
Transportation and Infrastructure	-114	-1,099	-3,702
Veterans Affairs	-449	-4,221	-14,626
Ways and Means	-1,971	-17,704	-61,547
Totals	-7,214	-69,863	-264,536

In the Face of Sure Defeat, GOP Tries to Turn a Sow's Ear Into a Silk Purse

“Repetition does not transform a lie into a truth.”

Franklin Delano Roosevelt, 10/26/39

Budget Committee Chairman Jim Nussle (R-IA) and House Republicans almost outdid themselves yesterday. When debate on the Democratic Motion to Instruct conferees on the Budget Resolution began yesterday, Chairman Nussle railed against it, charging that it somehow implied that Democrats were not committed to eliminating waste, fraud and abuse in government. In fact, our Motion instructed conferees to reject the draconian funding cuts in the GOP Budget Resolution for Medicare and Medicaid, education, veterans' benefits, railroad retirees' pensions, aid for working families and the disabled, and agriculture.

In strongly opposing the Democratic Motion, here's how Chairman Nussle kicked off the Republican side of the debate:

“[C]ertainly the Minority has an opportunity to come down here and make this motion. It really shows your cards. It shows that you do not really have a concern about some of these programs and their usefulness, finding the waste and the fraud and abuse within our Federal government.”

GOP: Oops, We Support Your Motion After All

But just moments after Chairman Nussle's impassioned plea opposing the Motion, Majority Leader Tom DeLay (R-TX) came to the House Floor and, lo and behold, he falsely claimed that the Motion would support \$1.2 trillion in tax cuts and freeze spending for key domestic programs. And thus, Majority Leader DeLay announced, he would support the Motion after all! “I am going to look at it a little closer,” he said, “but I just might vote for this Motion to Instruct because I, for the first time, am noticing that the Democrats are suggesting that we have a [\$1.2 trillion] tax relief package.”

Then, in an unmitigated flip-flop, Chairman Nussle announced that he too would support the Motion that he had strongly opposed just moments before. “[I]f the Majority Leader is interested in this, I certainly would be willing to consider agreeing to the motion,” he said.

Did House Republicans really see the light? Whatever provoked this 180-degree about-face? In fact, the Republican flip-flop came after the GOP leadership realized that 20 or more of their Members would vote for the Democratic Motion, handing the GOP an embarrassing defeat. Many Republicans decided that they simply could not vote to cut veterans' benefits, education, Medicaid and Medicare, and other crucial programs – a stunning repudiation of the House Republican Budget Resolution that narrowly passed the House, 215-212, on March 28.

In the end, the GOP leadership put a brave face on and claimed victory in the face of defeat. Democrats and Republicans – even Chairman Nussle – voted for the motion, which passed 399 to 22.

WAGGING TONGUES



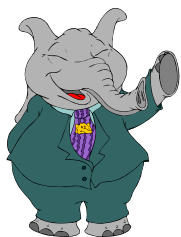
GOP PROMISES MADE AND NOT KEPT: Past Republican Rhetoric vs. Budget Reality

The Republican Budget Resolution that will be on the House Floor this week would slash funding for crucial domestic priorities in virtually every area – education, veterans' health care, the environment and research, to name a few – to pay for the President's \$1.4 trillion tax plan. Furthermore, this GOP Budget Resolution requires nearly every authorizing committee to cut direct spending within its jurisdiction by its pro-rated share of mandatory spending, including funding for Medicare, Medicaid, school lunches, and veterans' health care. Cuts to mandatory spending would total \$470 billion over the next decade if Republicans enact a \$400 billion prescription drug plan.

These funding cuts not only have provoked criticism by many moderate Republicans, but also fly in the face of statements by GOP leaders over the years regarding deficits, the protection of Social Security and Medicare, and the importance of funding for national priorities.

To help you prepare for the Floor debate, please find below direct quotations related to this Budget Resolution as well as past comments by Republican leaders.

Prepared by the Office of House Democratic Whip Steny H. Hoyer



What Republicans Say About Their Own Budget

"Unfortunately, because the resolution reflects a significant imbalance between tax cuts and spending for existing federal mandatory and discretionary programs, we cannot support it in its current form. We cannot support a budget resolution that reflect [sic] funding levels below the Bush Administration's request and that fails to meet the needs of our domestic priorities, while reducing taxes by \$1.4 trillion."	Letter sent to Speaker Dennis Hastert and Budget Cmte. Chairman Jim Nussle by House GOP moderates [3/14/03]
"We have a \$13 trillion unfunded obligation. We have to find a way to begin to address that."	Chairman Jim Nussle [CongressDaily, 3/14/03]
"I don't like what I see so far. If they're asking me to cut [federal workers'] pensions, that's crazy."	Chairman Tom Davis [CQ, 3/15/03]
"Nobody in my district is screaming for tax cuts, they are screaming for a prescription drug benefit."	Rep. Steven LaTourette [Congress Daily, 3/14/03]
"I think it's very tough work to try to simultaneously pass an economic stimulus plan, head toward a balanced budget and make cuts in Medicare that we would just have to unmake in future dates."	Rep. Jim Greenwood [WA Post, 3/17/03]
"I don't like deficits, I don't want deficits, and I won't pretend deficits don't matter."	Chairman Jim Nussle [Congress Daily, 3/12/03]



What Others Are Saying About the Republican Budget

"The proposal to cut Medicare funding contained in the fiscal year 2004 budget resolution unveiled today by the House Budget Committee would be a disaster for Medicare beneficiaries. It is unthinkable to propose cuts of this magnitude at a time when hospitals are facing a litany of escalating cost pressures that severely hamper their ability to provide care to senior citizens."	Chip Kahn, President, Federation of American Hospitals, [Press Release, 3/12/03]
"The attack by the House Budget Committee on the anti-hunger programs would be a horrible thing in the best of times, but it is particularly appalling when virtually every food bank in the country is reporting 20, 30 or even 100 percent increases in emergency food requests."	Jim Weill, President, Food Research and Action Center [CongressDaily, 3/14/03]

"We continue to believe that no tax cuts should be passed in light of pressing needs at both the federal and state levels, looming deficits and the possible conflict in Iraq. We will continue to work with like-minded members of Congress in both Houses to oppose any tax cuts."	Chuck Loveless, AFSCME [CongressDaily, 3/14/03]
"Veteran's pensions and disability compensation are parts of the costs of defending freedom. Our nation cannot, in good conscience, commit men and women to battle, and reduce the meager, yet well-deserved, compensation for those who are wounded."	American Legion National Commander Ronald F. Conley [Press Release, 3/17/03]
"Reducing VA health care funding, even by the seemingly small one percent, will worsen many of VA's gravest problems. We cannot expect sick and disabled veterans to wait months for earned health care. Equally troubling is that further cuts in funding would cause VA to curb further enrollment, or to remove certain veterans from the health care system altogether. It is imperative that Congress fully fund the VA."	Veterans of Foreign Wars Commander in Chief Ray Sisk [Press Release, 3/17/03]
"Cutting already under funded veterans' programs to offset the costs of tax cuts is indefensible and callous. It is unconscionable to cut benefits and services for disabled veterans at a time when we have thousands of our service members in harm's way fighting terrorism around the world and when we are sending thousands more of our sons and daughters to fight a war against Iraq."	Edward R. Heath Sr., National Commander of the Disabled American Veterans [Press Release, 3/17/03]



What Republicans Have Said About the Deficit and Fiscal Balance

"My grandmother has always told me that actions speak louder than words. Well, Grandma, a lot of politicians have been throwing around a lot of words for a long time about reducing the deficit, but today's the day for action."	Rep. Jim Nussle [Christian Science Monitor, 05/12/92]
"When the budget is brought back into balance, jobs will be created, and families of all income groups will benefit."	Sen. Don Nickles [AP, 10/27/95]
"By the year 2002, we can have a federal government with a balanced budget or we can continue down the present path towards total fiscal catastrophe."	Rep. Tom DeLay [AP, 10/20/95]
"Passing the balanced budget amendment is the single most important thing we can do to ensure the nation's economic security and to protect the American dream for our children and grandchildren."	Sen. Bob Dole [AP, 1996]
"Jack Kemp worships at the altar of tax cuts. Jack has always said that deficits don't matter. We think that deficits do matter."	Rep. Tom DeLay [NY Times, 1997]

"We can set aside Social Security and Medicare surpluses, fund important priorities for America, pay down unprecedented amounts of debt, and give taxpayers immediate, significant tax relief."	Chairman Jim Nussle [Press Release, 03/01/01]
"An example of fad economics occurred in 1980, when a small group of economists advised presidential candidate Ronald Reagan that an across-the-board cut in income tax rates would raise revenue."	N. Gregory Mankiw, new Chairman of White House Council of Economic Advisors [Textbook, <i>Principles of Economics</i> , 1998]
"Our budget holds spending to a reasonable level while funding important priorities. Because of this budget, we will pay down historic levels of our national debt, strengthen Social Security and Medicare, make critical reforms in our education system, and bolster our national defense."	Chairman Jim Nussle [Press Release, 05/02/01]
"Those deficits are troubling. Deficits do matter, especially coming just two years after when we anticipated budget surpluses for as far as the eye can see."	Chairman Jim Nussle [AP, 3/12/03]



What Republicans Have Said About Medicare and Social Security

"The Republican Lockbox legislation locks away the entire Social Security surplus . . . Today we are restoring Americans' faith and confidence in the Social Security system. It's a promise to current and future generations of retirees: Rest assured, your hard-earned money will be saved for you so that you can enjoy your well-deserved retirement."	Rep. Tom DeLay [Cong. Record, 5/23/99]
"Today, many older Americans are forced to choose between putting food on the table and the prescription drugs they need to live healthy lives. That's just not right."	Chairman Duncan Hunter [Press Release, 6/29/00]
"We promised our senior citizens that their Social Security and Medicare benefits will always be there for them. With this lockbox, we are keeping our promise to America's seniors. Today's burgeoning tax surpluses give us unprecedented opportunities to give Americans a more secure future. We can strengthen Americans' retirement security by dedicating every penny of Social Security taxes for Social Security, Medicare, and paying down the debt."	Chairman Jim Nussle [Press Release, 2/13/01]
"We are going to wall off Social Security trust funds and Medicare trust funds... And consequently we pay down the public debt when we do that. So we are going to continue to do that. That is in the parameters of our budget and we are not going to dip into that at all."	Speaker Dennis Hastert [BNA Tax Reporter, 3/2/01]

"The House GOP majority has already shown its emphatic commitment not to raid Social Security and Medicare. When the final tally for 2003 is made two years hence, the actual results will again show that we have lived up to that commitment. Republicans have successfully made spending Social Security and Medicare surpluses politically indefensible."	GOP House Budget Committee [Statement, 6/13/01]
"This Congress will protect 100 percent of the Social Security and Medicare Trust Funds. Period. No speculation. No supposition. No projections."	Chairman Jim Nussle [Press Release, 7/2/01]
"I don't know how many times we have to say it: we are not going to spend the Social Security and Medicare trust funds. Republicans stopped the raid on Social Security and Medicare and we are not going back. Period."	Chairman Jim Nussle [Cong. Record, 7/11/01]
"Seniors deserve prescription drug coverage that is affordable and available to them, regardless of income. All seniors deserve to have access to the drugs they need to improve their lives."	Speaker Dennis Hastert [Website]
"I wouldn't want to say there might not be a lot of ways to save money in Medicare, but you'd better not do it with across-the-board cuts."	Chairman Jim Nussle [Des Moines Register, 3/13/03]



What Republicans Have Said About Helping Our Veterans and Military

"Our nation has taken great pride in honoring its commitment to provide the best in medical care, compensation, and services to those who have fought to preserve freedom throughout the world. At a time when American servicemen have taken up humanitarian causes half-way around the globe, it is essential that Congress continues to send a strong signal that our nation will make good on its promises to all veterans."	Chairman Bill Young [Cong. Record, 3/8/00]
"Our military families and veterans are facing all types of difficulties. From out-of-pocket housing expenses to insufficient health care benefits, it's time we did more for those who protect our country."	Chairman Duncan Hunter [Press Release, 3/30/00]
"Our veterans were there for us when we needed them. It is because of their service that we must provide these men and women with all the benefits for which they are entitled."	Chairman Duncan Hunter [Press Release, 6/22/00]
"Keeping our promises to our military retirees is one of the most important obligations we have."	Chairman Duncan Hunter [Press Release, 10/6/00]
"We owe it not just to those who have already served, but also to the men and women who today are on the front lines in Korea, Bosnia, Guantanamo Bay and on bases and ships around the world, ready to risk their lives in defense of freedom. They must know with absolute certainty that promises made, will be promises kept."	Chairman Chris Smith [Press Release, 3/31/01]

"When we send men and women into combat, we incur a sacred obligation to care for them upon their return to civilian life."	Chairman Chris Smith [Press Release, 1/10/02]
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What Republicans Have Said About Education

"The goal of education is not just to grant knowledge to our students, it is also to give them hope... We have the best teachers in the world and the brightest young minds, if only we can create a climate where teachers and students can do what they do best, teach and learn. I believe we can do that and I know we should."	Rep. Tom DeLay [Cong. Record, 6/5/97]
"I believe we have an historic opportunity as we begin this new century. There is a growing consensus about what works in education, and there is a willingness to come together to do what is right for all our children. We want to be partners with you, to help the most disadvantaged and to open the door to success for all students."	Chairman John Boehner [Committee Testimony, 2/20/01]
"In order to carry out the reforms outlined in that law, we must make sure we have the funding in place to do so... We owe it to the schools, and these special children, to provide some help with these rising costs."	Speaker Dennis Hastert [Press Release, 3/13/02]
"As one of the authors of the bipartisan education bill signed by the President in January, I'm proud to support this budget. It's a clear statement that this Congress and this President will not turn its back on our children and their future, even in a time of war."	Chairman John Boehner [Press Release, 3/20/02]
"Beginning this summer, unprecedented new resources will begin flowing to states and local school districts as a result of No Child Left Behind... Every child -- rich, poor, black, white, urban, suburban -- must be given the chance to learn."	Chairman John Boehner [Press Release, 7/1/02]



What Republicans Have Said About Public Debt

"Let me tell you what we are doing here tonight. You are ordering beefsteak, and you have already ordered it. And you have eaten it, and you have given them your credit card. And then you found out that you are over your credit limit. But because you do not have a constitutional amendment that says you have got to live within your credit limit, you are just going to raise it arbitrarily so that you can continue your spending habits."	Rep. Tom DeLay [Cong. Record [4/1/93]
"A principal goal of the President and his budget is dramatic reduction of the national debt."	Mitch Daniels [AP, 2/28/01]

"Republicans believe repaying debt is the right thing to do. It is wrong for this generation to saddle future generations with debts."	GOP House Budget Committee [Statement, 3/13/01]
"Today's report, just like last week's review, simply tells us that we will not be able to pay off as much debt as soon as we originally had wanted - nothing more, nothing less. Even so, nearly \$150 billion can go to paying off the national debt this year alone because we have the second largest budget surplus in American history."	Speaker Dennis Hastert [Press Release, 8/27/01]
"When I arrived in this institution thirteen years ago, the idea of passing a budget that would actually pay down over 130 billion dollars worth of debt would have been laughable. Even five years ago, the thought of debt reduction was just that – a thought. But now it is a reality."	Speaker Dennis Hastert [Cong. Record, 11/9/99]
"We have a solid financial foundation to build on to get us back to balance. In the meantime, we are still paying down the debt and working our way back to surpluses."	Chairman Jim Nussle [Press Release, 10/30/01]
"The final numbers are in and they show we are still on track, paying down historic amounts of the public debt. I'm proud of the fact that we paid off \$90 billion dollars of the public debt last year. That's the second largest debt pay off in history."	Chairman Jim Nussle [Press Release, 10/30/01]